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Analysis

BP has sparked debate among investors by pledging to fully decarbonise operations and halve the CO2 intensity of its products by 2050, but new CEO Bernard Looney admits his vision lacks crucial near-term details [1] that will determine the fate of the re-engineered British oil and gas major.

International

Subsea and onshore contractor TechnipFMC will take a USD 2.4 billion write-down [2] in Q4'19 results, prompted by spiralling geopolitical uncertainty, lower commodity prices and the deteriorating North American shale market.

Energy-related CO2 emissions remained unchanged last year [3], according to the IEA, which has called for 2019 to be the “definitive peak” for global emissions growth. But a 2050 forecast by the GECF suggests current policies will fall short of Paris agreement targets.

Gazprom hopes to double its LNG sales over the next decade by adding 19.9 mtpa of liquefaction capacity by 2030 [4], Gazprom announced at its 2020 investor day presentation.

At least eight unladen Qatari LNG vessels are floating idle, while another nine are heading back to Doha – highlighting the disruption caused by the coronavirus, as Chinese buyers struggle to absorb cargoes [5] and queues grow at Chinese ports.

Africa

Nigeria – Nigeria LNG's re-marketing of expiring volumes from the Bonny Island LNG facility show no sign of slowing despite the plummeting price environment, with Galp signing up to take 1 mtpa [6] for another 10 years.

Asia Pacific

China – Millions of people returned to work [7] last week [7] after the Chinese New Year holiday came to an end, after being extended in a bid to combat the spread of coronavirus, but not all industries and factories have returned to full operations.

China is likely to cut or remove tariffs on US LNG [8], but Chinese buyers may still continue to “shun” US exports due to cost-competitiveness of other global suppliers and effects of the coronavirus on Chinese demand, according to research firm Rystad Energy.

Australasia

Australia – Woodside has delayed FID on the Browse field project [9] as efforts to conclude supply deals and divestments are being hit by the coronavirus and the low price environment, the company said during its annual results presentation on Thursday.

Central & South America

Colombia – Shell has signed a deal with state-owned Ecopetrol to buy a 50% stake in three deep-water blocks [10] in the Colombian Caribbean, after previous operator Anadarko divested from the 3 Tcf assets.

Europe

UK – Royal Bank of Scotland has pledged to stop funding oil and gas companies [11] that are not aligned with the Paris climate agreement from the end of 2021 amid a wider rebranding of the majority state-owned bank.

Mediterranean

Cyprus / Turkey – Turkey has purchased a third drillship [12], underscoring its intention to maintain pressure on Cyprus and other eastern Mediterranean countries and carve out a role for itself in the exploitation of the region's gas.

Middle East

Qatar – Qatargas has signed a long-term SPA with Shell for 1 mtpa of LNG [13] destined to supply Kuwait, to be sourced from Qatargas IV, in which Shell holds a 30% stake.

North America

Canada – Woodside Petroleum will record a USD 483 million impairment on its Kitimat LNG assets [14] in its full year 2019 results due to “sustained depressed gas market conditions in Western Canada”.

Midstream outfit TC Energy is to provide producers in western Canada with a “seamless path” to customers on the US Gulf coast – including LNG exporters – through two pipeline expansions to its North American network [15], the company has announced.

US – Permits issued to drill unconventional wells in Pennsylvania [16] – home to the prolific Appalachian shale basin – plunged from 218 in January 2019 to 57 last month, according to data compiled by the state's Department of Environmental Protection.

Permian Basin producers vented or flared up to 700 MMcf/d [17] in Q3'19, three times more than in H1'17. Worse still, the regional gas waste is around 30% higher when processing facilities are included in the sum, according to Rystad Energy.

US LNG developer NextDecade has agreed to sell the proposed Rio Grande LNG feed gas pipeline [18] to midstream outfit Enbridge, five months after the pair signed a memorandum of understanding to jointly develop the project.

US Democrats have introduced legislation to ban fracking on federal and private land by 2025 [19] and outlaw the practice within 2,500 feet of schools and homes as early as February 2021.

South Asia

India – ADNOC’s shipping arm has made its first move into floating LNG storage [20] after signing a 15-year charter with Singapore-headquartered infrastructure firm AG&P for a floating storage unit (FSU) for a proposed LNG import project in south-east India.

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